

## ECONOMIC COOPERATION

*Exchange of notes at Paris November 27, 1948*

*Entered into force November 27, 1948*

*Amended by agreement of March 29 and April 6, 1950<sup>1</sup>*

Department of State files

*The American Ambassador to the Minister of Foreign Affairs*

NOVEMBER 27, 1948

### EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the obligations arising from the exercise of drawing rights made available to France pursuant to the Agreement for Intra-European Payments and Compensation of 16 October 1948 insofar as such drawing rights are attributable to U.S. dollar assistance furnished by the Economic Cooperation Administration to participating countries for the purposes of that Agreement.

To the extent that the Agent authorized to perform payments compensations pursuant to the Agreement for Intra-European Payments and Compensation utilizes drawing rights established in favor of France, the Government of France will deposit commensurate amounts of francs in the special national currency account established under Article IV of the Economic Cooperation Agreement between France and the United States.<sup>2</sup>

<sup>1</sup> Not printed. The substantive paragraphs of the notes of Mar. 29 and Apr. 6, 1950, read as follows:

"1. Wherever references to drawing rights appear in the aforementioned exchange of notes [notes of Nov. 27, 1948], such references shall be deemed to apply to the drawing rights made available under both the Agreement for Intra-European Payments and Compensations of October 16, 1948, and the Agreement for Intra-European Payments and Compensations of September 7, 1949.

"2. Wherever references to the agent appear in the aforementioned exchange of notes, such references shall be deemed to apply both to the agent for compensations under the Agreement for Intra-European Payments and Compensations of October 16, 1948, and to the agent for operations under the Agreement for Intra-European Payments and Compensations of September 7, 1949.

"Effective October 1, 1949, the time of notification relevant for purposes of deposits of local currency made pursuant to the exchange of notes shall in each case be deemed to be the date of the last day of the monthly period with respect to which the drawing rights covered by the notification have been exercised."

<sup>2</sup> TIAS 1783, *ante*, p. 1261.

The amounts to be deposited shall be equivalent to the U.S. dollar value of drawing rights made available to participating countries and exercised in favor of France as communicated to the E.C.A. by the agent. This value will be identical with the amounts of U.S. dollars allotted to such participating countries in order to obligate them to make such drawing rights available.

The rate of exchange governing the computation of amounts of French francs deemed equivalent to the dollar value of drawing rights as set forth in paragraph 2 above shall be the same as the rate governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between France and the United States.

Deposits of French francs made pursuant to this exchange of letters shall be held and governed in accordance with all the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between the United States and France.

It is understood that obligations to deposit French francs in accordance with this note apply only in the case of drawing rights to which no obligations of repayment attach.

Please accept, Excellency, the renewed assurance of my highest consideration.

JEFFERSON CAFFERY

His Excellency

M. ROBERT SCHUMAN,  
*Minister of Foreign Affairs,*  
*Paris.*

---

*The Minister of Foreign Affairs to the American Ambassador*

[TRANSLATION]

FRENCH REPUBLIC  
MINISTRY FOR FOREIGN AFFAIRS

Liberty, Equality, Fraternity

PARIS, November 27, 1948

MR. AMBASSADOR:

I have the honor to acknowledge receipt of your letter dated today, in which Your Excellency refers to conversations that have taken place between representatives of our two Governments on the subject of obligations arising from the exercise of drawing rights made available to France pursuant to the Agreement for Payments and Compensation of October 16, 1948, in so far as they are attributable to U.S. dollar assistance furnished by the Economic Cooperation Administration to participating countries for the purposes of that Agreement.

I have the honor to inform Your Excellency that the French Government agrees to the following provisions which you set forth in the aforementioned communication:

To the extent that the Agent authorized to perform payments compensations pursuant to the Agreement for Payments and Compensation utilizes drawing rights established in favor of France, the French Government will deposit an equivalent amount in francs in the special account opened in accordance with Article IV of the Economic Cooperation Agreement between France and the United States.

The amounts deposited in that account shall be equivalent to the U.S. dollar value of drawing rights made available to participating countries and utilized in favor of France as communicated to the E.C.A. by the Agent. This value will be identical with the amounts of U.S. dollars allotted to such participating countries in order to permit them to grant the drawing rights.

The rate of exchange governing the computation of the amount of French francs deemed equivalent to the dollar value of the drawing rights, as set forth in Paragraph 3 of this communication, shall be the same as the rate governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between France and the United States.

Deposits of French francs made pursuant to this exchange of letters shall be held and governed in accordance with the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between France and the United States.

It is understood that the obligation to deposit French francs in accordance with this note apply only in the case of drawing rights to which no obligation of repayment is attached.

I avail myself of this occasion, Mr. Ambassador, to renew to Your Excellency the assurances of my highest consideration.

SCHUMAN

His Excellency

JEFFERSON CAFFERY

*Ambassador of the United States,  
Paris.*